

SHORALL MCGOLDRICK BRINKMANN
702 North Beaver Street
Flagstaff, Arizona 86001

ORIGINAL

RECEIVED



0000128126

BEFORE THE ARIZONA CORPORATION COMMISSION

2011 AUG -8 A 8:59

Arizona Corporation Commission

DOCKETED

AUG 8 2011

DOCKETED BY

COMMISSIONERS

CARY PIERCE-CHARIMAN
BOBSTUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
TUSAYAN WATER DEVELOPMENT
ASSOCIATION, INC. FOR
ESTABLISHMENT OF RATES FOR WATER
SERVICE

DOCKET NO. W-02350A-10-0163

IN THE MATTER OF THE APPLICATION OF
ANASAZI WATER COMPANY, LLC FOR
ADJUDICATION "NOT A PUBLIC SERVICE
CORPORATION"

DOCKET NO. W-20765A-10-0432

IN THE MATTER OF THE APPLICATION OF
HYDRO-RESOURCES, INC. FOR
ADJUDICATION "NOT A PUBLIC SERVICE
CORPORATION"

DOCKET NO. W-20770A-10-0473

**ANASAZI WATER COMPANY LLC'S NOTICE OF FILING REBUTTAL
TESTIMONY**

Anasazi Water Company, LLC ("Anasazi") hereby files the Rebuttal
Testimony of Pamela Fain in the above referenced matter.

RESPECTFULLY SUBMITTED this 8th day of August, 2011.

Shorall McGoldrick Brinkmann

Paul L. Brinkmann

Attorney for Anasazi Water Company, LLC

1 **ORIGINAL and 13 COPIES** of the
2 foregoing filed this 8th day of
August, 2011, with:

3 Docket Control Division
4 Arizona Corporation Commission
1200 W. Washington
Phoenix, Arizona 85007

5 **COPY** of the foregoing hand-delivered
this 8th day of August, 2011 to:

6 Hearing Division
7 Arizona Corporation Commission
1200 W. Washington
8 Phoenix, Arizona 85007

9 Steven M. Olea
10 Director, Utilities Division
11 Arizona Corporation Commission
Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

12 Janice Alward, Esq.
13 Chief Counsel, Legal Division
14 Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2927

15 By 

16 **COPY** of the foregoing mailed
17 this 8th day of August, 2011 to:

18 Steven A. Hirsch
19 Bryan Cave, LLP
One Renaissance Square
2 N. Central Ave., Ste. 2200
Phoenix, Arizona 85004
20 Attorney for Hydro-Resources, Inc.

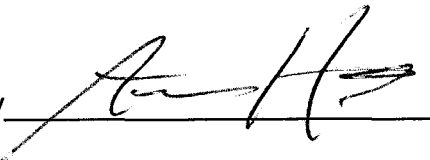
21 Russell A. Kolsrud
22 Ryan J. Lorenz
Clark Hill, PLC
167427 N. Scottsdale Rd., Ste. 210
Scottsdale, Arizona 85254
23 Attorneys for Tusayan Water
Development Association, Inc.
24
25

1 William J. Sims, III
2 LaSota & Peters, PLC
3 722 E. Osborn Rd., Ste. 100
4 Phoenix, Arizona 85014
5 Attorney for Town of Tusayan

6 Garry D. Hays, II
7 Law Offices of Garry Hays, P.C.
8 1702 E. Highland Ave., Ste. 204
9 Phoenix, Arizona 85016
10 Attorney for Tusayan Ventures, LLC

11 Michael W. Patten
12 Timothy J. Sabo
13 Roshka, Dewulf & Patten, PLC
14 One Arizona Center
15 400 East Van Buren, Ste. 800
16 Phoenix, Arizona 85004
17 Attorneys for Squire Motor Inns, Incorporated

18 Enrique Ochoa, Town Manager
19 Town of Tusayan
20 P.O. Box 709
21 Tusayan, Arizona 86023

22 By 
23
24
25

BEFORE THE ARIZONA CORPORATION COMMISSION

CARY PIERCE
Chairman
BOB STUMP
Commissioner
SANDRA D. KENNEDY
Commissioner
PAUL NEWMAN
Commissioner
BRENDA BURNS
Commissioner

IN THE MATTER OF THE APPLICATION OF TUSAYAN WATER DEVELOPMENT ASSOCIATION, INC. FOR ESTABLISHMENT OF RATES FOR WATER SERVICE DOCKET NO. W-02350A-10-0163

IN THE MATTER OF THE APPLICATION OF ANASAZI WATER COMPANY, LLC FOR ADJUDICATION "NOT A PUBLIC SERVICE CORPORATION" DOCKET NO. W-20765A-10-0432

IN THE MATTER OF THE APPLICATION OF HYDRO-RESOURCES, INC. FOR ADJUDICATION "NOT A PUBLIC SERVICE CORPORATION" DOCKET NO. W-20770A-10-0473

REBUTTAL

TESTIMONY

OF

PAMELA FAIN

MANAGER

ANASAZI WATER COMPANY, LLC

AUGUST 8, 2011

1 I. INTRODUCTION

2 Q. Please state your name and your business address.

3 A. My name is Pamela Fain and my business address is 620 West Meade,
4 Williams, Arizona 86046.

5 Q. Are you the Pamela Fain that filed direct testimony in these
6 proceedings?

7 A. Yes, I submitted direct testimony on behalf of Anasazi Water Company, LLC
8 ("Anasazi") on June 20, 2011, as part of these proceedings.

9 Q. What is the purpose of your rebuttal testimony?

10 A. My Rebuttal Testimony will respond to the direct testimony of John Rueter of
11 Hydro-Resources, Inc. ("Hydro"), Christopher Brainard of Tusayan Water
12 Development Association, Inc. ("TWDA"), Ray L. Jones on behalf of the Town
13 of Tusayan ("Town"), Kiana M. Sears of the Arizona Corporation Commission
14 ("ACC") and Marlin Scott, Jr. also of the ACC.

15 Q. Ms. Sears testified that you stated in your direct testimony that "Anasazi
16 serviced 6 connections with 3 being served by Hydro." Does that
17 accurately reflect your testimony?

18 A. No. What I said was Anasazi's water system services 6 properties in Tusayan
19 with three remaining properties serviced by Hydro water through Anasazi's
20 connections and meters. In other words, Anasazi's water goes to 6 different
21 properties, through 7 connections (the Red Feather Lodge has 2 connections).
22 Hydro water goes to 3 other properties, though those properties are billed for
23 water as if they received it from Anasazi. This totals 9 properties and 10
24 connections serviced to some degree by Anasazi.

25 Q. Why is this?

1 A. As I indicated in my direct testimony, it is largely due to the historical origins of
2 the system. Anasazi's system was built to provide water to Red Feather
3 Properties, LP ("RFP")/Thurston family owned properties. Over the years,
4 some of the land owned by RFP or the Thurston related family members has
5 been transferred, but some of the underlying infrastructure has remained on
6 those properties. The connections and lines that service the 3 properties that
7 currently receive Hydro water pre-date Hydro service of those properties.
8 Hydro has provided water to some of the properties serviced by Anasazi by
9 connecting to Anasazi's lines.

10 **Q. Is this consistent with Anasazi's Application?**

11 A. Yes. Anasazi's application and my direct testimony are consistent. A total of
12 nine properties through ten connections are listed by TWDA as serviced by
13 Anasazi. My direct testimony was simply distinguishing the source of the
14 water received by different properties.

15 **Q. Ms. Sears points out in her testimony that Anasazi distributes water to**
16 **Wendy's. She further notes that Wendy's does not have common**
17 **ownership with RFP, although Wendy's is located on land RFP owns.**
18 **She uses this example to illustrate her point that Anasazi serves the**
19 **public. Does Anasazi serve the public?**

20 A. Anasazi sells its water to one customer, TWDA. The only properties serviced
21 by Anasazi via TWDA, with the exception of the South Rim Mobile Home Park
22 and the McDonald's Dormitory property are owned by RFP or the Thurstons.
23 Anasazi does not advertise to the public for any additional properties nor
24 would it accept, if requested, any new property for service since its only
25 function was and is to provide water to RFP or related properties.

1 Q. Ms. Sears states that South Rim Mobile Home Park receives water from
2 Anasazi. Is that accurate?

3 A. No. South Rim Mobile Home Park receives water from Hydro, through an
4 Anasazi connection.

5 Q. Ms. Sears indicated in her testimony that Anasazi accepts all requests
6 for service, is that correct?

7 A. No. As noted above, Anasazi's system was built to provide water to
8 RFP/Thurston family owned properties. Additionally, Anasazi's water system
9 is already nearly inadequate for the properties it currently serves and is
10 therefore inadequate to accept any new requests for service. As Chris
11 Brainard with TWDA noted, TWDA does not start billing a customer until
12 TWDA "receives confirmation that [Hydro or Anasazi] have the capacity to
13 service the new customer."¹ Anasazi has not begun service on a new property
14 since approximately 1998, and since that time several new customers have
15 received service within the certificated area.

16 Q. Ms. Sears explains that because Anasazi and Hydro provide water
17 within the certificated area they are actual or potential competitors.
18 Does Anasazi compete with Hydro?

19 A. No. Hydro and Anasazi do not compete with one another. As is stated above
20 Anasazi is not accepting new requests for service from the public, nor does it
21 intend to. Anasazi is more than happy to end service to all properties that do
22 not share common ownership with RFP.

23 Q. Does this conclude your prepared rebuttal testimony?
24

25 ¹ Direct Testimony of Christopher Brainard p. 6, ln. 10.

1 A. Yes, however, I would like to reserve the right to raise and/or comment upon
2 these and other issues in rejoinder testimony as the need arises due to
3 additional discovery or based upon my further review of the parties' testimony
4 in this docket.

5
6 **ORIGINAL and 13 COPIES** of the
foregoing filed this 8th day of
7 August, 2011, with:

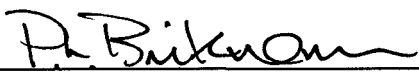
8 Docket Control Division
Arizona Corporation Commission
1200 W. Washington
9 Phoenix, Arizona 85007

10 **COPY** of the foregoing hand-delivered
this 8th day of August, 2011 to:

11 Hearing Division
Arizona Corporation Commission
12 1200 W. Washington
Phoenix, Arizona 85007

13 Steven M. Olea
14 Director, Utilities Division
Arizona Corporation Commission
15 Utilities Division
1200 West Washington Street
16 Phoenix, Arizona 85007

17 Janice Alward, Esq.
Chief Counsel, Legal Division
Arizona Corporation Commission
18 1200 West Washington Street
Phoenix, Arizona 85007-2927

19
20 By 

21 **COPY** of the foregoing mailed
this 8th day of August, 2011 to:

22 Steven A. Hirsch
23 Bryan Cave, LLP
One Renaissance Square
24 2 N. Central Ave., Ste. 2200
Phoenix, Arizona 85004
25 Attorney for Hydro-Resources, Inc.

SHORALL MCGOLDRICK BRINKMANN

702 North Beaver Street
Flagstaff, Arizona 86001

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Russell A. Kolsrud
Ryan J. Lorenz
Clark Hill, PLC
167427 N. Scottsdale Rd., Ste. 210
Scottsdale, Arizona 85254
Attorneys for Tusayan Water
Development Associations, Inc.

William J. Sims, III
LaSota & Peters, PLC
722 E. Osborn Rd., Ste. 100
Phoenix, Arizona 85014
Attorney for Town of Tusayan

Garry D. Hays, II
Law Offices of Garry Hays, P.C.
1702 E. Highland Ave., Ste. 204
Phoenix, Arizona 85016
Attorney for Tusayan Ventures, LLC

Michael W. Patten
Timothy J. Sabo
Roshka, Dewulf & Patten, PLC
One Arizona Center
400 East Van Buren, Ste. 800
Phoenix, Arizona 85004
Attorneys for Squire Motor Inns, Incorporated

Enrique Ochoa
Town of Tusayan
P.O. Box 709
Tusayan, Arizona 86023

By 